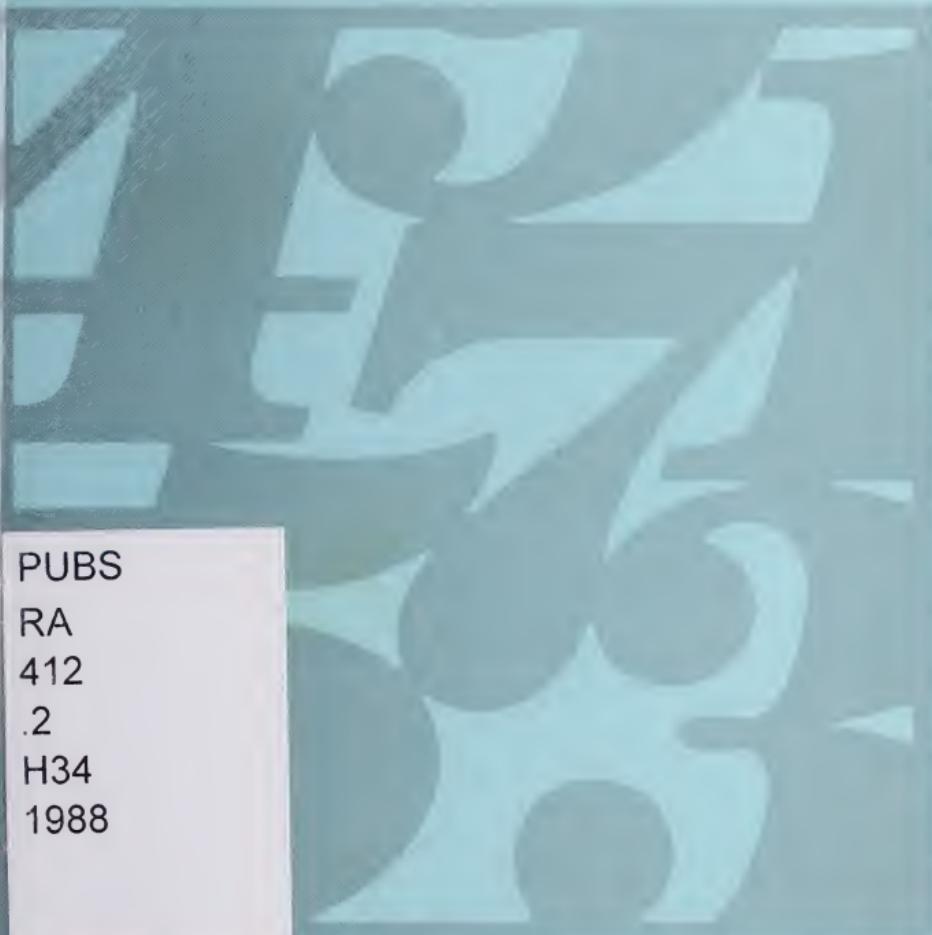


1988 HCFA Statistics



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**Health Care Financing Administration
Bureau of Data Management and Strategy**

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Preface

Since the Medicare and Medicaid programs began, health care expenditures have grown faster than the rest of the economy. Medicare and Medicaid have grown even faster than health expenditures in general. This reference booklet provides significant summary information about health expenditures and Health Care Financing Administration (HCFA) programs.



The data are organized as follows:

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Highlights



Growth in HCFA programs and health expenditures

Populations

- Persons enrolled for Medicare coverage increased from 19.5 million in 1967 to about 33.0 million in 1988, a 69-percent increase.

In 1967, Medicare enrollees represented 9.7 percent of the U.S. resident population; in 1988, they represented 13.2 percent.

- Medicaid recipients (data on eligibles are not available) increased from about 10 million in calendar year 1967 to 24 million in fiscal year 1988, an increase of 140 percent.

Data for 1988 indicate that 9.1 percent of the U.S. resident population received Medicaid services.

Providers/Suppliers

- During the early years of the Medicare program, the number of hospitals classified as short-stay were relatively stable, in the range of 6,100-6,200. However, during 1980, the number dropped below 6,100, and by January 1988, the number decreased to 5,856. This change is partially due to the reclassification of some short-stay hospitals to non-short-stay classification for Medicare reimbursement purposes.
- Until recently, the total number of Medicare certified beds in short-stay hospitals showed a steady increase from less than 800,000 at the beginning of the program and peaking at 1,025,000 in 1984-86. Since that time, the number has dropped to less than 1,000,000.
- The number of psychiatric hospitals grew to about 400 by 1976 where it remained until the start of prospective payment system (PPS) in 1983. Since that time, the number has grown to 585.
- At the beginning of 1988, 5,634 or 85 percent of all hospitals were covered by PPS.
- The number of skilled nursing facilities increased rapidly during the 1960's, decreased during the first half of the 1970's, and have been increasing ever since, reaching almost 7,400 by the beginning of 1988.
- After peaking in 1970, the number of home health agencies remained stable during most of the decade. The number of HHA's began to peak in 1978 and accelerated with the passage of the Omnibus Reconciliation Act of 1980 which permitted the certification of proprietary home health agencies in States not having licensure laws. By 1986, there were almost 6,000 participating facilities. Since that time, the number has decreased to 5,769.

- Independent laboratories increased 91 percent from 2,355 in January 1968 to 4,487 in January 1988.

Expenditures

- National health expenditures were \$51 billion in 1967, 6.3 percent of the gross national product (GNP). In 1987, expenditures are expected to reach \$497 billion, 11.2 percent of GNP.
- Public expenditures on health amounted to \$19 billion in 1967, 37 percent of total health expenditures. In 1987, public health expenditures are expected to reach \$202 billion, 41 percent of total health expenditures.
- Federal health expenditures increased from 23 percent of all health expenditures in 1967 (\$12 billion) to 29 percent in 1987 (\$143 billion).
- National health expenditures per person increased from \$247 in 1967 to \$1,973 in 1987.
- National health expenditures are projected to reach \$647 billion in 1990, with the Federal share being \$195 billion.

Utilization of Medicare and Medicaid Services

- About 46 million persons will receive services paid by Medicare or Medicaid in fiscal year 1988.
- One out of five, or about 9 million of these persons, will use inpatient hospital services covered by Medicare or Medicaid this year.
- Four out of five, or about 37 million of these persons, will receive reimbursable physician services under Medicare or Medicaid this year.

- About 22 million persons will receive reimbursable outpatient hospital services under Medicare or Medicaid this year.
- Over 800,000 persons will receive care in skilled nursing facilities covered by Medicare or Medicaid this year.
- About 1 million persons will receive care in intermediate care facilities covered by Medicaid this year.
- Over 2 million persons will receive reimbursable home health agency visits under Medicare or Medicaid this year.
- More than 15 million persons will receive prescribed drugs under Medicaid this year.

Populations

**Information about persons covered
by Medicare and Medicaid**



For Medicare, statistics are based on persons enrolled for coverage. For Medicaid, recipient counts are used as a surrogate of persons eligible for coverage, as well as for persons utilizing services. Statistics are available by major program categories, by demographic and geographic variables, and as proportions of the U.S. population. Utilization data organized by persons served may be found in the Utilization section.

MEDICARE ENROLLMENT/TRENDS

	Total persons	Aged persons	Disabled persons
In millions			
July			
1966	19.1	19.1	—
1970	20.5	20.5	—
1975	25.0	22.8	2.2
1980	28.5	25.5	3.0
1984	30.5	27.6	2.9
1985	31.1	28.2	2.9
1986	31.7	28.8	3.0
1987	32.4	29.4	3.0
1988 ¹	33.0	30.0	3.0
1989 ¹	33.6	30.6	3.1

¹Estimated.

MEDICARE ENROLLMENT/COVERAGE

	HI and/or SMI		HI and SMI		HI only	SMI only
In millions						
All persons	32.4	31.8	31.2	30.6	1.2	0.6
Aged persons	29.4	28.8	28.4	27.8	1.0	0.6
Disabled persons	3.0	3.0	2.8	2.8	0.2	(¹)

¹Number less than 50,000.

NOTES: Data as of July 1987. HI is hospital insurance. SMI is supplementary medical insurance.

MEDICARE ENROLLMENT/DEMOGRAPHICS

	Total	Male	Female
In thousands			
All persons	32,411	13,684	18,727
Aged	29,380	11,762	17,619
65-74 years	17,006	7,451	9,554
75-84 years	9,351	3,468	5,883
85 years and over	3,024	843	2,181
Disabled	3,031	1,922	1,108
Under 45 years	995	650	346
45-54 years	637	410	226
55-64 years	1,399	863	536
White	28,080	11,819	16,261
Other races	3,364	1,478	1,886
Unknown	967	387	580

NOTE: Data as of July 1987.

MEDICARE END STAGE RENAL DISEASE ENROLLMENT/TRENDS

	HI and/or SMI	HI	SMI
July	In thousands		
1980	66,741	66,254	64,896
1981	72,807	72,344	70,786
1982	76,117	75,707	73,705
1983	89,427	88,847	86,868
1984	97,780	97,080	94,620
1985	103,997	103,171	100,694
1986	120,060	118,946	116,093
1987	130,939	129,657	126,003

NOTES: HI is hospital insurance. SMI is supplementary medical insurance.

MEDICARE ENROLLMENT/END STAGE RENAL DISEASE DEMOGRAPHICS

	Number of enrollees
All persons	130,939
Age	
Under 25 years	6,676
25-44 years	34,524
45-64 years	47,791
65 years and over	41,948
Sex	
Male	71,413
Female	59,526
Race	
White	82,598
Other	43,490
Unknown	4,851

NOTE: Data as of July 1987.

MEDICARE ENROLLMENT/HCFA REGION

	July 1, 1987		Enrollees as percent of population
	Resident population	Medicare enrollees	
In thousands			
All regions	246,980	132,156	13.0
Boston	12,844	1,825	14.2
New York	28,889	3,938	13.6
Philadelphia	25,538	3,512	13.8
Atlanta	43,373	6,117	14.1
Chicago	46,150	6,097	13.2
Dallas	28,410	3,164	11.1
Kansas City	12,007	1,783	14.8
Denver	7,656	829	10.8
San Francisco	33,328	3,765	11.3
Seattle	8,785	1,106	12.6

¹Includes enrollees with unknown State of residence, but excludes those living in foreign countries.

MEDICARE/HEALTH MAINTENANCE ORGANIZATIONS (HMO's)

	Pre-TEFRA HMO's ¹		Post-TEFRA HMO's ²	
	Plans	Enrollees in thousands	Plans	Enrollees in thousands
Total prepaid	154	1,076	213	1,772
HCPP's ³	46	612	34	555
Total HMO's	108	464	179	1,217
TEFRA risk	—	—	138	1,010
Old risk	4	37	4	54
Cost basis	65	117	33	137
Demonstrations	39	310	4	16

¹Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982; data as of May 1985.

²Data as of June 1988.

³Health care prepayment plans.

AGED POPULATION/PROJECTED

	1988	2000	2025	2050
In millions				
65 years and over	30.4	35.5	60.1	69.1
75 years and over	12.7	17.0	25.6	37.8
85 years and over	3.0	4.6	7.1	15.4

LIFE EXPECTANCY AT AGE 65/TRENDS

Year	Male	Female
	In years	
1965	12.9	16.3
1980	14.0	18.4
1985	14.4	18.6
1986	14.8	18.7
1987	14.9	18.8
1988 ¹	14.9	18.9

¹Estimated.

ELDERLY LIVING BELOW POVERTY LEVEL/TRENDS

Year	Persons in millions	Percent
1966	5.1	28.5
1970	4.7	24.5
1978	3.2	13.9
1980	3.9	15.7
1983	3.6	13.8
1984	3.3	12.4
1985	3.5	12.6
1986	3.5	12.4

NOTE: Beginning in 1983, income estimates used for determining poverty level were based on improved measurement of interest income.

MEDICAID RECIPIENTS/TRENDS

	Fiscal year					
	1975	1980	1985	1987 ¹	1988 ¹	1989 ¹
In millions						
Total ²	22.0	21.6	21.8	23.3	24.2	25.0
Age 65 years and over	3.6	3.4	3.1	3.4	3.5	3.5
Blind/disabled	2.5	2.9	3.0	3.3	3.4	3.5
Dependent children						
under 21 years of age	9.6	9.3	9.8	10.2	10.5	10.8
Adults in families with						
dependent children	4.5	4.9	5.5	6.0	6.2	6.4
Other Title XIX	1.8	1.5	1.2	1.3	1.5	1.5

¹Estimated.

²Eligibility categories may not add to total as some recipients are classified in more than one category during the year.

MEDICAID RECIPIENTS/STATE BUY-INS FOR MEDICARE

	1975	1980	1985	1987
Number in thousands				
All buy-ins ¹	2,846	2,954	2,670	2,849
Aged	2,483	2,449	2,164	2,250
Disabled	363	504	505	599
Percent of SMI enrollees ²				
All buy-ins	12.0	10.9	9.0	9.2
Aged	11.4	10.0	8.0	7.9
Disabled	18.7	18.9	19.2	21.5

¹Recipients for whom the State paid Medicare supplementary medical insurance (SMI) premium for month of July.

²Number of SMI enrollees includes those with unknown state of residence, but excludes those living in foreign countries.

MEDICAID RECIPIENTS/DEMOGRAPHICS

	Fiscal year 1986 Medicaid recipients in millions	Percent distribution
Total recipients	22.5	100.0
Age	22.5	100.0
Under 6 years	4.8	21.4
6-20 years	6.5	28.8
21-64 years	7.5	33.4
65 years and over	3.6	16.0
Unknown	0.1	0.4
Sex	22.5	100.0
Male	8.1	36.0
Female	14.4	64.0
Race	22.5	100.0
White	11.9	52.8
Other	8.7	38.8
Unknown	1.9	8.4

MEDICAID RECIPIENTS/HCFA REGION

	Fiscal year 1986 Medicaid recipients in thousands
All regions	22,515
Boston	1,053
New York	4,680
Philadelphia	2,084
Atlanta	3,157
Chicago	4,314
Dallas	1,862
Kansas City	815
Denver	375
San Francisco	3,588
Seattle	587

II

Providers /Suppliers

Information about institutions, agencies, or professionals who provide health care services and individuals or organizations who furnish health care equipment or supplies



These data are distributed by major provider/supplier categories, geographic region, and type of program participation. Utilization data organized by type of provider/supplier may be found in the Utilization section.

INPATIENT HOSPITALS/TRENDS

	1975	1980	1987	1988
Total hospitals	6,707	6,780	6,731	6,715
Beds in thousands	1,132	1,152	1,138	1,125
Beds per 1,000 enrollees	51.5	46.9	40.5	39.4
Short-stay	6,084	6,111	5,912	5,856
Beds in thousands	884	988	1,011	998
Beds per 1,000 enrollees	40.2	40.2	36.0	34.9
Psychiatric	358	408	542	585
Beds in thousands	207	136	94	94
Beds per 1,000 enrollees	9.4	5.5	3.4	3.3
Other long-stay	265	261	277	274
Beds in thousands	42	29	33	33
Beds per 1,000 enrollees	1.9	1.2	1.2	1.1

NOTES: Facility data as of January 1. Rates based on number of aged hospital insurance enrollees. Rates for 1988 based on July 1, 1987 enrollment. Facilities certified for Medicare are deemed to meet Medicaid standards.

INPATIENT HOSPITALS/HCFA REGION

	Short-stay hospitals	Beds per 1,000 enrollees	Long-stay facilities	Beds per 1,000 enrollees
All regions	5,856	34.9	859	4.4
Boston	250	29.8	77	8.7
New York	430	31.8	71	8.0
Philadelphia	474	30.9	104	5.6
Atlanta	1,092	36.5	160	3.4
Chicago	1,049	38.2	125	3.1
Dallas	867	41.1	126	4.2
Kansas City	517	38.4	47	3.4
Denver	333	38.2	36	5.4
San Francisco	602	31.5	85	2.4
Seattle	242	27.0	28	3.1

NOTES: Data as of January 1988. Rates based on number of aged hospital insurance enrollees as of July 1, 1987.

**HOSPITALS AND UNITS/STATUS UNDER
THE PROSPECTIVE PAYMENT SYSTEM**

Total hospitals ¹	6,683
Hospitals under PPS	5,600
Hospitals receiving special considerations:	547
Regional referral centers	186
Sole community hospitals	361
Non-PPS hospitals	1,083
Categorically exempt:	849
Psychiatric	579
Rehabilitation	87
Alcohol/drug ²	17
Other long-term care	88
Children's	56
Christian Science	22
Short-stay hospitals in waiver states or demonstrations	163
Short-stay hospitals in outlying areas ³	63
Cancer hospitals	8
Total excluded units	1,819
Psychiatric	969
Rehabilitation	525
Alcohol/drug ²	325

¹Excludes 57 separate cost entities.

²Covered under PPS beginning October 1, 1987.

³Short-stay inpatient hospitals in Puerto Rico will be included under PPS as of October 1, 1987.

NOTE: Data as of September 1987.

LONG-TERM FACILITIES/HCFA REGION

	Title XVIII and XVIII/XIX SNF's	Title XIX-only SNF's ¹	ICF's ²	IMR ³
All regions	7,379	1,996	5,583	4,151
Boston	436	211	473	356
New York	741	92	55	795
Philadelphia	809	55	377	243
Atlanta	1,187	418	446	268
Chicago	1,789	481	1,350	1,455
Dallas	390	127	1,513	503
Kansas City	288	176	1,020	81
Denver	312	142	151	114
San Francisco	1,160	159	56	262
Seattle	267	135	142	74

¹Skilled nursing facilities.

²Intermediate care facilities.

³Institution for mentally retarded.

NOTE: Data as of January 1988.

OTHER MEDICARE PROVIDERS AND SUPPLIERS/TRENDS

	1975	1980	1985	1988
Home health agencies	2,254	2,858	5,237	5,769
Independent laboratories	2,994	3,448	3,890	4,487
End stage renal disease facilities	—	975	1,367	1,701
Outpatient physical therapy	115	386	827	1,030
Portable X-ray	131	210	281	395
Rural health clinics	—	359	432	459
Comprehensive outpatient rehabilitation facilities	—	—	61	141
Ambulatory surgical centers	—	—	253	852
Hospices	—	—	159	449

NOTE: Data as of January 1988.

SELECTED FACILITIES/TYPE OF CONTROL

	Short-stay hospitals	Skilled nursing facilities	Home health agencies
All facilities	5,856	7,379	5,769
Percent of total			
Nonprofit	50.9	22.1	39.3
Proprietary	14.2	66.3	34.4
Government	34.9	11.6	26.3

NOTES: Data as of January 1988. Facilities certified for Medicare are deemed to meet Medicaid standards.

PERIODIC INTERIM PAYMENT (PIP) FACILITIES/TRENDS

	1975	1980	1985	1987
Hospitals				
Number of PIP	1,524	2,276	3,290	1,536
Percent of total participating	22.5	33.8	49.0	22.9
Skilled nursing facilities				
Number of PIP	161	203	228	244
Percent of total participating	4.1	3.9	3.4	3.3
Home health agencies				
Number of PIP	86	481	952	1,111
Percent of total participating	3.8	16.0	16.0	19.3

NOTES: Data as of December 31. The Omnibus Reconciliation Act of 1986 eliminated PIP for many inpatient hospitals.

PHYSICIANS/TRENDS

	1970		1980		1986	
	Number	Percent	Number	Percent	Number	Percent
Non-Federal physicians						
Active in patient care	255,027	100.0	361,915	100.0	444,705	100.0
Medical specialties	60,968	23.9	105,049	29.0	139,957	31.5
Surgical specialties	75,991	29.8	103,312	28.5	120,705	27.1
Other specialties	63,970	25.1	96,871	26.8	120,537	27.1
General practice	54,098	21.2	56,683	15.7	63,506	14.3

PHYSICIANS/HCFA REGION

	Non-Federal physicians active in patient care	Physicians per 100,000 population
All regions	444,705	183
Boston	30,000	236
New York	66,804	233
Philadelphia	51,930	207
Atlanta	66,150	157
Chicago	77,361	169
Dallas	41,607	148
Kansas City	18,147	152
Denver	11,906	157
San Francisco	66,295	207
Seattle	14,505	169

NOTES: Physicians as of December 1986. Civilian population as of July 1986.

MEDICARE ASSIGNED CLAIMS/HCFA REGION

	Net assignment rates		
	1980	1986	1987
All regions	51.5	68.0	73.1
Boston	67.4	82.6	85.5
New York	51.8	71.4	74.5
Philadelphia	61.6	82.2	84.9
Atlanta	52.3	64.7	72.1
Chicago	47.6	64.8	70.0
Dallas	50.3	62.7	69.4
Kansas City	40.4	56.8	65.2
Denver	39.5	51.1	58.0
San Francisco	53.2	70.6	74.8
Seattle	31.3	45.9	53.7

NOTE: Calendar year data.

III

Expenditures

Information about spending for health care services by Medicare, Medicaid, and in the Nation as a whole



Health care spending at the aggregate levels is distributed by source of funds, types of service, geographic area, and broad beneficiary or eligibility categories. Direct out-of-pocket, other private, and non-HCFA-related expenditures are also covered in this section. Expenditures on a per-unit-of-service level are covered in the Utilization section.

HCFA AND TOTAL FEDERAL DISBURSEMENTS

	Fiscal year 1987 in billions
Total Federal budget ¹	\$1,004.6
Department of Health and Human Services ¹	351.3
Percent of Federal budget	(35.0)
HCFA budget	
Medicare benefit payments	79.7
Medicaid medical assistance payments	26.0
HCFA program management	1.4
State and local administration/training	1.4
Other administrative expenses	0.5
Peer review organizations	0.2
Total (unadjusted)	109.2
Offsetting and proprietary receipts	-6.5
Total net of offsetting and proprietary receipts ¹	102.7
Percent of Federal budget	(10.2)

¹Does not include off-budget entities, net of offsetting receipts.

PROGRAM BENEFIT PAYMENTS/TRENDS

	Total	Medicare	Medicaid ¹
	In billions		
Calendar year			
1966	\$2.5	\$1.0	\$1.5
1970	12.3	7.1	5.2
1980	60.9	35.7	25.2
1983	91.3	57.4	33.9
1984	99.2	62.9	36.3
1985	110.6	70.5	40.1
1986	119.6	76.0	43.6
1987 ²	126.4	78.9	47.5

¹Total medical assistance payments, Federal and State expenditures combined.

²Projected.

PROGRAM BENEFIT PAYMENTS/HCFA REGION

	Medicare ¹	Medicaid	
		Computable ²	Net adjusted ³
In millions			
All regions	\$79,851	\$47,149	\$26,262
Boston	4,556	3,420	1,813
New York	9,378	10,744	5,324
Philadelphia	9,278	4,506	2,512
Atlanta	13,697	5,713	3,853
Chicago	15,850	9,339	5,260
Dallas	7,265	3,935	2,399
Kansas City	4,221	1,575	924
Denver	1,678	1,085	649
San Francisco	11,537	5,550	2,804
Seattle	2,390	1,281	723

¹Distribution by region is estimated.

²Total medical assistance payments computable for Federal funding.

³Net adjusted Federal share.

⁴Excludes residence unknown and residents of foreign countries.

NOTE: Data as of fiscal year 1987.

MEDICARE/TRUST FUND PROJECTIONS

	Fiscal year		
	1987	1988	1989
In billions			
HI benefit payments ¹	\$49.8	\$51.5	\$54.6
Aged	44.3	45.8	48.6
Disabled	5.5	5.6	6.0
SMI benefit payments ¹	29.9	34.1	38.7
Aged	26.3	30.4	34.7
Disabled	3.6	3.7	4.0

¹Excludes peer review organization expenditures.

SOURCES: 1988 Annual Reports of the Board of Trustees of the Federal Hospital Insurance (HI) Trust Fund and Supplementary Medical Insurance (SMI) Trust Fund.

MEDICARE/TYPE OF BENEFIT

	Fiscal year 1987 benefit payments in millions	Percent distribution
Total HI	\$49,804	100.0
Inpatient hospital	46,697	93.8
Skilled nursing facility	591	1.2
Home health agency	2,453	4.9
Hospice	63	0.1
Total SMI	29,932	100.0
Physician/other suppliers	21,922	73.2
Outpatient hospital	5,793	19.4
Home health agency	35	0.1
Group practice prepayment	1,336	4.5
Independent laboratory	846	2.8

NOTES: HI is hospital insurance. SMI is supplementary medical insurance.

MEDICAID/BASIS OF ELIGIBILITY

	Fiscal year 1986 vendor payments in millions	Percent distribution
Total	\$41,005	100.0
Age 65 years and over	15,097	36.8
Blind/disabled	14,913	36.4
Dependent children under 21 years of age	5,135	12.5
Adults in families with dependent children	4,880	11.9
Other Title XIX	980	2.4

MEDICAID/TYPE OF SERVICE

	Fiscal year	
	1985	1986
Total vendor payments	\$37.5	\$41.0
	In billions	
Inpatient services	28.4	28.0
General hospitals	25.2	25.3
Mental hospitals	3.2	2.7
Skilled nursing facility services	13.5	13.8
Intermediate care facility services	30.0	28.9
Mentally retarded	12.6	12.4
All other	17.4	16.5
Physician services	6.3	6.2
Dental services	1.2	1.3
Other practitioner services	0.7	0.6
Outpatient hospital services	4.8	4.8
Clinic services	1.9	2.0
Laboratory and radiological services	0.9	1.0
Home health services	3.0	3.3
Prescribed drugs	6.2	6.6
Family planning services	0.5	0.6
Early and periodic screening	0.2	0.2
Rural health clinic services	(¹)	(¹)
Other care	2.5	2.7

¹Less than 0.05 percent.

NATIONAL HEALTH CARE/TRENDS

	Calendar year			
	1965	1980	1985	1986
National total in billions	\$41.9	\$248.1	\$422.6	\$458.2
Percent of GNP	5.9	9.1	10.6	10.9
Per capita amount	\$205	\$1,054	\$1,710	\$1,837
Source of funds		Percent of total		
Private	73.8	57.6	58.4	58.6
Public	26.2	42.4	41.6	41.4
Federal	13.2	28.6	29.5	29.4
State/local	13.0	13.8	12.2	12.0

NOTE: GNP is gross national product.

NATIONAL HEALTH CARE/PROJECTIONS

500.3

	Calendar year		
	1987	1988	1990
National total in billions	\$496.6	\$541.7	\$647.3
Percent of GNP	11.2	11.4	12.0
Per capita amount	\$1,973	\$2,135	\$2,511
Source of funds		Percent of total	
Private	59.4	58.9	58.4
Public	40.6	41.1	41.6
Federal	28.7	29.5	30.2
State/local	11.9	11.7	11.4

NOTE: GNP is gross national product.

NATIONAL HEALTH CARE/TYPE OF EXPENDITURE

	National total in billions	Per capita amount	Percent paid		
			Total	Medicare	Medicaid
Total	\$496.6	\$1,973	26.3	16.3	10.0
Health services and supplies	479.3	1,905	27.3	16.9	10.4
Personal health care	438.9	1,744	28.8	18.0	10.8
Hospital care	192.6	765	35.2	26.4	8.8
Physicians' services	101.4	403	25.8	21.7	4.2
Nursing home care	41.6	165	43.2	1.6	41.7
Other personal care	103.3	410	13.9	5.2	8.7
Other services and supplies	40.4	160	10.5	4.7	5.8
Research/construction	17.3	69	—	—	—

NOTE: Projected calendar year 1987.

PERSONAL HEALTH CARE/PAYMENT SOURCE

	Calendar year			
	1970	1980	1985	1987¹
In billions				
Total	\$65.4	\$219.7	\$371.3	\$438.9
Percent				
Total	100.0	100.0	100.0	100.0
Private	65.6	60.7	60.0	61.4
Out-of-pocket	40.5	28.7	28.4	29.1
Other private	25.1	32.0	31.7	32.2
Public	34.4	39.3	40.0	38.6
Medicare	10.9	16.2	19.0	18.0
Medicaid	8.0	11.5	10.8	10.8
Other public	15.5	11.6	10.2	9.8

¹Projected.

PER CAPITA SPENDING AND SOURCES OF FUNDS FOR PERSONAL HEALTH CARE EXPENDITURES FOR PERSONS 65 YEARS OF AGE OR OVER, 1977 and 1984

	Total	Hospital care	Physicians' services	Nursing home care	Other care
Calendar year 1977					
Total per capita	\$1,785	\$777	\$320	\$440	\$248
Percent of total					
Private	36.1	12.3	42.7	50.7	76.2
Consumer	35.7	12.0	42.7	50.0	75.5
Out-of-pocket	29.3	4.9	27.6	49.2	72.3
Insurance	6.4	7.1	15.1	0.8	3.2
Other	0.4	0.3	0.0	0.7	0.6
Government	63.9	87.7	57.3	49.3	23.8
Medicare	44.1	74.5	53.4	3.3	9.6
Medicaid	13.9	3.9	3.0	41.6	10.4
Other	5.9	9.3	0.9	4.4	3.8
Calendar year 1984					
Total per capita	\$4,202	\$1,900	\$868	\$880	\$554
Percent of total					
Private	32.8	11.4	39.7	51.9	65.3
Consumer	32.4	11.0	39.6	51.2	64.8
Out-of-pocket	25.2	3.1	26.1	50.1	59.9
Insurance	7.2	7.9	13.5	1.1	4.9
Other	0.4	0.4	0.0	0.7	0.5
Government	67.2	88.6	60.3	48.1	34.7
Medicare	48.8	74.8	57.8	2.1	19.9
Medicaid	12.8	4.8	1.9	41.5	11.4
Other	5.6	9.1	0.7	4.4	3.4

Utilization

Information about the use of health care services



Utilization information is organized by persons receiving services and alternately by services rendered. Measures of health care use include: persons served; units of service; (e.g., discharges, days of care, etc.); and dimensions of the services rendered; (e.g., average length of stay, charge per person or per unit of service). These utilization measures are aggregated by program coverage categories, provider characteristics, type of service, and demographic and geographic variables.

MEDICARE/SHORT-STAY HOSPITAL UTILIZATION

	Fiscal year				
	1983	1984	1985 ¹	1986 ¹	1987 ¹
Discharges					
Total in millions	11.6	11.5	10.9	10.7	10.5
Rate per 1,000 enrollees	392	383	356	343	330
Days of care					
Total in millions	116	106	95	92	92
Rate per 1,000 enrollees	3,918	3,534	3,106	2,947	2,888
Average length of stay					
per discharge	10.0	9.2	8.7	8.7	8.8
Total charges					
Amount in billions	\$55	\$56	\$57	\$61	\$68
Per day	\$470	\$535	\$605	\$668	\$739

¹Estimated.

NOTE: Includes admissions and transfers to excluded units of hospitals under prospective payment system.

MEDICARE AVERAGE LENGTH OF STAY/TRENDS

	Fiscal year				
	1983	1984	1985	1986	1987 ¹
All areas					
Non-waiver States	10.0	9.2	8.7	8.7	8.8
PPS only	9.5	8.6	8.1	8.6	8.7
Waiver States	—	7.7	7.9	8.2	8.4
Waiver States	13.2	12.7	12.2	11.0	11.2
Outlying areas	9.1	8.8	8.4	8.0	7.7

¹Preliminary.

NOTES: Waiver States for 1984-85: Maryland, Massachusetts, New Jersey, and New York. Waiver States for 1986-87: Maryland and New Jersey.

MEDICARE LONG-TERM CARE/TRENDS

	Skilled nursing facilities		Home health agencies	
	Persons served in thousands	Served per 1,000 enrollees	Persons served in thousands	Served per 1,000 enrollees
Calendar year				
1981	251	9	1,005	35
1982	252	9	1,172	40
1983	264	9	1,338	45
1984	299	10	1,522	50
1985	315	10	1,576	51
1986	304	10	1,601	50

MEDICARE PERSONS SERVED/TRENDS

	Calendar year				
	1967	1975	1980	1985	1986
Aged persons served					
per 1,000 enrollees					
HI and/or SMI	367	528	638	722	732
HI	203	221	240	218	212
SMI	365	536	652	739	751
Disabled persons served					
per 1,000 enrollees					
HI and/or SMI	—	450	594	668	681
HI	—	219	246	226	226
SMI	—	471	634	715	729

NOTES: HI is hospital insurance. SMI is supplementary medical insurance. Persons for whom Medicare Trust Fund payments were made.

MEDICARE PERSONS SERVED/PROJECTIONS

	Fiscal year				
	1987	1988	1989	1990	1991
In millions					
HI					
Aged					
Enrollees	28.2	28.8	29.3	29.9	30.4
Persons served	6.4	6.5	6.7	6.9	7.2
Disabled					
Enrollees	3.0	3.0	3.1	3.1	3.2
Persons served	0.8	0.8	0.8	0.8	0.8
SMI					
Aged					
Enrollees	28.2	28.8	29.3	29.9	30.4
Persons served	22.2	22.8	23.2	23.6	24.0
Disabled					
Enrollees	2.8	2.8	2.8	2.9	2.9
Persons served	2.0	2.1	2.1	2.1	2.2

NOTES: HI is hospital insurance. SMI is supplementary medical insurance. Enrollment represents actuarial estimates of average monthly enrollment during the fiscal year for residents of Social Security areas.

MEDICARE PERSONS SERVED/HCFA REGION

	Aged persons served in thousands	Served per 1,000 enrollees	Disabled persons served in thousands	Served per 1,000 enrollees
All regions ¹	21,059	738	2,014	684
Boston	1,280	772	103	716
New York	2,580	739	250	631
Philadelphia	2,406	771	232	715
Atlanta	3,948	741	434	682
Chicago	3,968	728	381	701
Dallas	1,999	713	184	637
Kansas City	1,186	730	93	684
Denver	538	722	41	656
San Francisco	2,438	732	237	732
Seattle	714	723	59	677

¹Excludes residents of foreign countries.

NOTES: Calendar year 1986 data for persons served under hospital insurance and/or supplementary medical insurance. Based on utilization for fee-for-service and excludes utilization under alternative payment systems such as health maintenance organizations.

MEDICARE-END STAGE RENAL DISEASE (ESRD)

	Calendar year	
	1985	1986
Total enrollees ¹	103,997	120,060
Dialysis patients ²	84,797	90,886
In-center	68,394	73,800
Home	16,403	17,086
Transplants performed ³	7,695	8,976
Living donor	1,876	1,887
Cadaveric donor	5,819	7,089
Average dialysis payment rate		
Hospital-based facilities	\$131	\$129
Freestanding facilities	\$127	\$125

¹Medicare ESRD enrollees as of July 1.

²Includes Medicare and non-Medicare patients receiving dialysis as of December 31.

³Includes kidney transplants for Medicare and non-Medicare patients.

MEDICAID/TYPE OF SERVICE

Fiscal year 1986
Medicaid
recipients
in thousands

Total	22,515
Inpatient services	
General hospitals	3,544
Mental hospitals	53
Skilled nursing facility services	571
Intermediate care facility services	
Mentally retarded	145
All other	828
Physician services	14,894
Dental services	5,161
Other practitioner services	3,451
Outpatient hospital services	10,702
Clinic services	2,027
Laboratory and radiological services	7,123
Home health services	593
Prescribed drugs	14,704
Family planning services	1,732
Early and periodic screening	2,145
Rural health clinic services	108
Other care	3,320

MEDICAID/UNITS OF SERVICE**Fiscal year 1986****units****in thousands**

	Fiscal year 1986
General hospital	
Total discharges	3,670
Recipients discharged	2,537
Total days of care	29,336
Skilled nursing facility	
Total recipients	571
Total days of care	116,044
Intermediate care facility	
mentally retarded	
Total recipients	145
Total days of care	48,418
all other	
Total recipients	828
Total days of care	217,972
Physician visits	80,748
Rural health clinic visits	251
Home health service visits	15,807
Drug prescriptions	206,322

NOTE: Based on reporting States except Wyoming.

Administrative /Operating

Information on activities and services related to oversight of the day-to-day operations of HCFA programs



Included are data on Medicare contractors, contractor activities and performance, HCFA and State Agency administrative costs, quality control, and summaries of the operation of the Medicare trust funds.

MEDICARE ADMINISTRATIVE EXPENSES/TRENDS

	Administrative expenses	
	Amount in millions	As a percent of benefit payments
HI Trust Fund		
1970	\$157	3.1
1975	266	2.4
1980	512	2.0
1985	834	1.8
1986	664	1.3
1987	793	1.6
SMI Trust Fund		
1970	237	12.0
1975	462	10.8
1980	610	5.7
1985	933	4.1
1986	1,060	4.0
1987	920	3.0

NOTES: HI is hospital insurance. SMI is supplementary medical insurance. Calendar year data.

MEDICARE/CONTRACTS

	Intermediaries	Carriers
Blue Cross/Blue Shield	47	26
Other	7	9

NOTES: Data as of January 1988. Reference to intermediaries as Part A has been dropped in recognition of the fact that intermediaries also service Part B institutional bills.

MEDICARE/CLAIMS PROCESSING COSTS

	Net unit cost per claim			
	1975	1980	1985	1987
Intermediaries	\$3.84	\$2.96	\$2.33	\$1.81
Carriers	2.90	2.33	1.88	1.65

NOTE: Fiscal year data.

MEDICARE/CLAIMS PROCESSING

	Intermediaries	Carriers
Claims processed in millions	67.3	335.1
Total costs in millions	\$378.5	\$699.7
Claims processing costs in millions	\$108.0	\$526.1
Claims processing unit costs	\$1.81	\$1.65
Range		
High	\$2.82	\$2.59
Low	\$1.45	\$1.19

NOTE: Fiscal year 1987.

MEDICARE/CLAIMS RECEIVED

	Claims received
Intermediary claims received in thousands	68,234
Inpatient hospital	16.5
Outpatient hospital	65.4
Home health agency	7.5
Skilled nursing facility	1.1
Other	9.5
Carrier claims received in thousands	346,551
Assigned	73.1
Unassigned	26.9

NOTE: Calendar year 1987.

MEDICARE/REASONABLE CHARGE REDUCTIONS

	Assigned	Unassigned
Claims approved		
Number in thousands	234,488	83,116
Percent reduced	83.4	82.4
Total covered charges		
Amount in millions	\$31,179	\$10,258
Percent reduced	28.0	24.7
Amount reduced per claim	\$37.19	\$30.52

NOTE: Calendar year 1987.

MEDICARE/APPEALS

	Intermediary reconsiderations	Carrier reviews
Number processed	71,439	5,477,422
Percent reversal rate ¹	29.9	59.2

¹Excludes withdrawals and dismissals.

NOTE: Fiscal year 1987.

MEDICAID/ADMINISTRATION¹

	Fiscal year	
	1986	1987 ²
In thousands		
Total payments computable for Federal funding	\$2,144,037	\$2,302,600
Federal share of current expenditures:		
Family planning	7,959	9,635
Design, development or installation of MMIS ³	22,722	26,652
Skilled professional medical personnel	146,538	157,317
Operation of an approved MMIS ³	322,684	352,262
Other financial participation	649,996	773,599
Mechanized systems not approved under MMIS ³	22,390	17,822
Total administration	1,172,289	1,337,287
Net adjusted Federal share	41,267,244	1,374,242

¹The effect of Section 2161 of the Omnibus Budget Reconciliation Act of 1981 is not included in this schedule.²State estimates as submitted November 1987. Net adjusted Federal share includes cash-flow adjustments.³Medicaid Management Information System.⁴Includes Federal share of current expenditures plus State-reported and Health Care Financing Administration adjustments.

QUALITY CONTROL/MEDICARE PART B CARRIERS

	<u>Average carrier error rate</u>			
	1977	1985	1986	1987
Occurrence (Claims processing errors per 100 line items)	8.7	6.4	5.7	5.2
Assigned	8.3	5.7	5.1	4.9
Unassigned	9.2	7.7	6.9	5.9
Payment/deductible (Dollar error per \$100 of submitted charges)				
Without nonreview penalty	1.9	1.8	1.7	1.2
Assigned	1.8	1.7	1.6	1.2
Unassigned	2.0	1.8	1.7	1.4

NOTE: Calendar year data.

QUALITY CONTROL/MEDICAID

Fiscal year	Eligibility national average error rate ¹ in percent of dollars
1980	5.1
1982	33.8
1983	32.8
1984	32.7
1985	32.7
1986 ²	32.7

¹Excludes Supplemental Security Income determinations.

²Estimated.

³The Tax Equity and Fiscal Responsibility Act of 1982 mandated the exclusion of certain errors from the Medicaid Quality Control System, thereby lowering error rates.

Reference

Selected reference material on cost-sharing features of the Medicare programs, program financing, administrative regions, and Medicaid Federal medical assistance percentages.



PROGRAM FINANCING

Medicare/Source of Income

Hospital insurance trust fund:

1. Payroll taxes*
2. Transfers from railroad retirement account
3. General revenue for
 - a. Uninsured persons
 - b. Military wage credits
4. Premiums from voluntary enrollees
5. Interest on investments
6. Interfund loan repayment

*Contribution rate	1987	1988	1989
	Percent		
Employees and employers, each	1.45	1.45	1.45
Self-employed	2.90	2.90	2.90

Calendar year 1988 maximum taxable amount: \$45,000

Calendar year 1989 maximum taxable amount: \$46,500 (Projected)

Supplementary medical insurance trust fund:

1. Premiums paid by or on behalf of enrollees
2. General revenue
3. Interest on investments

Medicaid/Financing

1. Federal contributions (ranging from 50 to 80 percent for fiscal year 1989)
2. State contributions (ranging from 20 to 50 percent for fiscal year 1989)

SELECTED PROVISIONS OF THE MEDICARE CATASTROPHIC COVERAGE ACT OF 1988

Benefits (effective 1/1/89)

Inpatient hospital

Provisions

One deductible each calendar year. Approximately \$564 in 1989. Hospital inpatient coinsurance amounts eliminated.

Skilled nursing facility (SNF)

Coinurance amount equal to 20 percent of the national average per diem Medicare reasonable cost for SNF services for first eight days in a calendar year. Approximately \$20.50 coinsurance/day in 1989.

Blood

Deductible equal to first 3 pints/calendar year (reduced to the extent that a blood deductible has been paid under Part B).

Limitations (effective 1/1/89)

Inpatient hospital days (general)

No day limitation (spell of illness methodology eliminated).

Skilled nursing facility days

150 days/calendar year (3-day prior hospitalization requirement eliminated).

Inpatient psychiatric hospital days

190 nonrenewable days.

Hospice care

Additional extension period beyond 210 days if beneficiary is recertified as terminally ill.

Financing (effective 1/1/89)

Supplemental premium rate

\$22.50 for each \$150 of 1989 Federal tax liability. Maximum premium of \$800.

Flat premium rate

Additional Part B premium of approximately \$4/month.

Voluntary HI premium

Approximately \$158/month in 1989.

NOTE: Additional catastrophic provisions, including those related to Part B, and outpatient prescription drugs, will also be phased in beginning in 1990.

**GEOGRAPHICAL JURISDICTIONS OF HCFA
REGIONAL OFFICES AND FEDERAL MEDICAL
ASSISTANCE PERCENTAGES (FMAP) FISCAL YEAR 1989**

I. Boston	FMAP	VI. Dallas	FMAP
Connecticut	50	Arkansas	74
Maine	67	Louisiana	71
Massachusetts	50	New Mexico	72
New Hampshire	50	Oklahoma	66
Rhode Island	56	Texas	59
Vermont	64		
II. New York		VII. Kansas City	
New Jersey	50	Iowa	63
New York	50	Kansas	55
Puerto Rico	50	Missouri	60
Virgin Islands	50	Nebraska	60
Canada	N/A		
III. Philadelphia		VIII. Denver	
Delaware	53	Colorado	50
District of Columbia	50	Montana	71
Maryland	50	North Dakota	67
Pennsylvania	57	South Dakota	71
Virginia	51	Utah	74
West Virginia	76	Wyoming	63
IV. Atlanta		IX. San Francisco	
Alabama	73	Arizona	62
Florida	55	California	50
Georgia	63	Hawaii	54
Kentucky	73	Nevada	50
Mississippi	80	American Samoa	50
North Carolina	68	Guam	50
South Carolina	73	N. Mariana Islands	50
Tennessee	70	Mexico	N/A
V. Chicago		X. Seattle	
Illinois	50	Alaska	50
Indiana	64	Idaho	73
Michigan	55	Oregon	62
Minnesota	53	Washington	53
Ohio	59		
Wisconsin	59		

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